

~~TOP SECRET~~

2 May 1951

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CURRENT INTELLIGENCE BULLETIN

Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

~~TOP SECRET~~

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FAR EAST

3. Enemy armor contacted in Chinese Communist sector:

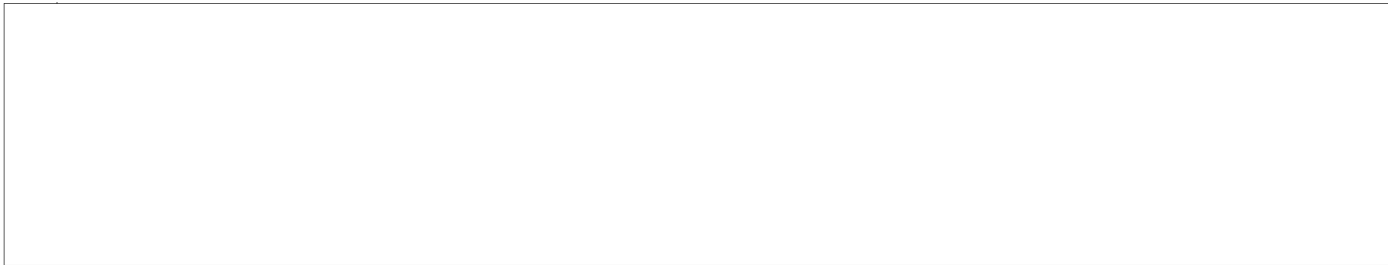
KOREA

CINCFE Telecon
1 May 51
SECRET

A CINCFE telecon of 1 May reported that five enemy tanks attacked six miles northeast of Seoul and that UN aircraft observed seventeen more in enemy rear areas.

Comment: Although there have been almost continuous air sightings of enemy armor since January, scarcely any ground contacts have been reported during this period. This tank contact is reported in the sector occupied by the Chinese Communist 3rd Army Group, previously reported as having received armored support in Manchuria. Two major North Korean armored units are also known to be located in western North Korea.

An 11 April Far East Command analysis of enemy tank sightings revealed 82 sightings in western Korea south of Pyongyang for the period from 16 March to 10 April. In the light of previous experience indicating that air sightings fail to account for more than 50 percent of actual armored strength, this same analysis estimated that the enemy may have at least 150 to 175 tanks for future employment along the more favorable west coast road net.



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5. Communist China's railroad to Indochina reported completed:

CHINA
INDOCHINA

US Cons Gen Hong Kong 30 Apr 51
CONFIDENTIAL

An untested source has informed the US Consul General in Hong Kong that the railroad from Laipin (in Kwangsi province) to the Indochina border at Chennankuan has been completed by using rails taken from a section of another line in Kweichow province. The source alleges that the line from Nanning to the Indochina border is the same narrow gauge that is used in Indochina railroads.

Comment: This line was previously reported scheduled for completion by the end of April.

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6. Petroleum being shipped to Communist China from Indonesia:

CHINA
INDONESIA

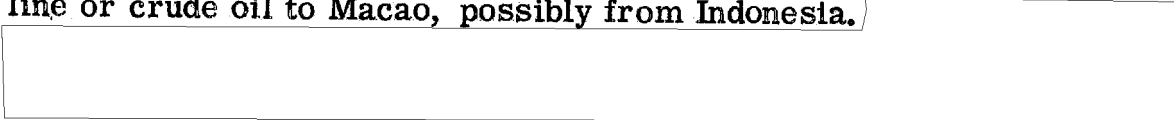
US Cons Gen Hong Kong 5 Apr 51
CONFIDENTIAL

The US Consul General in Hong Kong reports that the tightening of Singapore's export regulations have led to an organized movement of goods from Singapore to Indonesia for transshipment to Hong Kong, Macao, or directly to Communist China. The Consul General states that, although the trade is not large as yet, operations may become larger in scale. He mentions in particular the movement of petroleum products via this route, and says that mounting evidence indicates that considerable finance is available to make possible a steady flow of petroleum to Macao from Indonesia.

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Comment: US officials in Singapore and Hong Kong have been reporting information (which they evaluate as probably true) concerning the planned delivery of a large quantity of motor gasoline or crude oil to Macao, possibly from Indonesia.



NEAR EAST



8. UN Secretary-General Lie cautions Israel on its international policies: ISRAEL

US Emb Tel Aviv
30 Apr 51
SECRET

According to the US Ambassador in Tel Aviv, UN Secretary-General Lie has discussed with Israeli Foreign Minister Sharett the present unsatisfactory situation in the Middle East. VS

Referring to the dangers arising from Israel's hatred of the Arab States and to the lack of progress in improving that situation, Lie advised the Israeli Foreign Minister (1) to follow a milder policy in international relations, (2) to abide by the UN decisions, and (3) while retaining a necessary independence, to avoid any course that would lessen Israel's friendship with the US. Lie stressed the importance to Israel of American goodwill, citing the Hule controversy -- particularly the retaliatory bombing -- as an example of unwise policies which might jeopardize US goodwill.

Comment: Domestic considerations within Israel -- such as the strong Israeli nationalism, the influence upon Prime Minister Ben-Gurion of General Yadin, Army Chief of Staff, and the problems involved in a general election this summer -- have made it difficult for the government to pursue a moderate foreign policy, particularly in regard to Israel's relations with the Arab States. Lie's advice, however, may have some effect in improving Israel's attitude toward the UN Truce Supervision Organization and the various Mixed Armistice Commissions.

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WESTERN EUROPE

11. Spanish Monarchists seek control of strike movement:

US Emb Madrid
29 Apr 51
SECRET

The US Embassy in Madrid reports that, despite previous denials, the secretary of the non-Communist opposition **Comite Interior de Coordinacion (CIC)** now admits that his organization was

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behind the Barcelona and Bilbao strikes. The CIC is planning a further series of non-violent strikes culminating in a general sit-down strike in Madrid during the month of May synchronized with the issuance of a Monarchist manifesto calling on Franco to turn over the government to the Pretender Don Juan.

Comment:

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the CIC, a coalition of clandestine Monarchist, Socialist and Anarchist organizations within Spain, does not appear justified in claiming credit for instigating or directing the Barcelona and Bilbao strikes. Monarchists within the CIC, who sense the latent possibilities of the strike movement, apparently are anxious to use it as a lever for the immediate ouster of Franco and the restoration of the monarchy under Don Juan. On the other hand, the non-Monarchist elements of the CIC, who have a more intimate grasp of the aspirations of Spanish workers, counsel caution, since they feel that any undue haste might well jeopardize their cause by affording Franco a pretext for a new series of repressive measures that could break the back of the non-violent strike movement before it gains momentum.